

PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION

The regular meeting of October 26, 2011 was held in room 317 of City Hall.

Meeting called to order by President Wheeler at 5:05 p.m.

Present were: Fine (Robert Fine, Representative of the Park and Recreation Board), Hodges (Betsy Hodges, Chair of the Ways & Means/Budget Committee of the City Council). Johnson (Barbara Johnson, President of the City Council; Rybak (R T Rybak, Mayor of Minneapolis), Becker (Carol J. Becker, Elected Member), Wheeler (David Wheeler, Elected Member).

Absent; none.

The Secretary presented the following; October 17, 2011 letter submitted to the City Council and the resulting Resolutions requesting Board action.

RESOLUTION 2011R-xxx By Hodges

Requesting the Board of Estimate and Taxation to issue and sell City of Minneapolis General Obligation Refunding Bonds in an amount not to exceed \$ 81,500,000;

1. \$ 39,300,000 of Convention Center Refunding Bonds
2. \$ 42,200,000 of Library Referendum Refunding Bonds

Fine moved the following :

RESOLUTION

AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION CONVENTION CENTER REFUNDING BONDS, SERIES 2011A, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$39,300,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority. The City has previously issued the general obligation bonds described below to finance or refinance improvements to the Minneapolis Convention Center.

1.01. Series 1999 Bonds. Pursuant to Resolution No. 99R-151 adopted by the City Council of the City of Minneapolis (the “City Council”) on May 7, 1999, resolutions adopted by the Board of Estimate and Taxation of the City of Minneapolis (the “Board”) on May 12, 1999 and June 9, 1999, and a Trust Indenture dated as of June 1, 1999, the City issued its General Obligation Convention Center Bonds, Series 1999 (the “Series 1999 Bonds”) in the original aggregate principal amount of \$88,400,000 on June 24, 1999. The Series 1999 Bonds are variable rate bonds and were issued for the purpose of financing improvements to the Minneapolis Convention Center and related facilities, including the refunding of the City’s Convention Center Revenue Bonds, Series 1997A and Series 1997B.

1.02. Series 2000 Bonds. Pursuant to Resolution No. 99R-151 adopted by the City Council on May 7, 1999, resolutions adopted by the Board on May 17, 2000 and September 21, 2000, and a Trust Indenture dated as of September 1, 2000, the City issued its General Obligation Convention Center Bonds, Series 2000 (the "Series 2000 Bonds") in the original aggregate principal amount of \$80,000,000 on September 21, 2000. The Series 2000 Bonds are variable rate bonds and were issued for the purpose of financing improvements to the Minneapolis Convention Center.

1.03. City Council's Request. On October 21, 2011, the City Council adopted Resolution No. 2011R-____, which requests that the Board incur indebtedness, issue, and sell its General Obligation Convention Center Refunding Bonds, Series 2011A (the "Bonds"), pursuant to Minnesota Statutes, Section 475.67, as amended, and pursuant to the City Charter to refund the outstanding principal of the Series 1999 Bonds (in the amount of \$17,300,000) and the outstanding principal of the Series 2000 Bonds (in the amount of \$22,000,000). The Series 1999 Bonds and the Series 2000 Bonds to be redeemed and prepaid are hereinafter referred to collectively as the "Refunded Bonds."

1.04. Redemption of Refunded Bonds. The Series 1999 Bonds are subject to redemption and prepayment, in whole or in part, on the first day of any month, commencing on December 1, 1999, upon not less than twenty (20) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 1999 Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. The Series 2000 Bonds are subject to redemption and prepayment, in whole or in part, on the first day of any month, commencing on December 1, 2000, upon not less than twenty (20) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Series 2000 Bonds to be redeemed and prepaid plus accrued interest to the date of redemption. To provide for the redemption and prepayment of all of the outstanding Refunded Bonds, the City is proposing to issue the Bonds in an aggregate principal amount not to exceed \$39,300,000, and apply the net proceeds derived from the sale of the Bonds to the current refunding of the Refunded Bonds within ninety (90) days of the date of issuance of the Bonds.

1.05. Authority. The City is authorized to issue the Bonds to redeem and prepay the Refunded Bonds pursuant to the terms of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act") and, in particular, Section 475.67 of the Municipal Debt Act.

Section 2. Issuance of Bonds. The Bonds are hereby authorized to be issued in the original aggregate principal amount of \$39,300,000 and the proceeds derived from the sale of the Bonds are hereby directed and authorized to be applied to the redemption and prepayment of the Refunded Bonds and to related costs.

Section 3. Terms and Form of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be issued as fixed-rate, tax-exempt, general obligation bonds, and shall be issued in one or more series as the Executive Secretary of the Board (the "Executive Secretary"), in consultation with the Finance Officer of the City (the "Finance Officer"), shall determine. The Bonds shall be designated "General Obligation Convention Center Refunding Bonds, Series 2011A" and, if issued in more than one series, shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated on or after November 22, 2011, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate principal amount of \$39,300,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Refunded Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2012, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary and the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the

Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary may determine that the Bonds shall not be subject to optional redemption or may establish a date on and after which all Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. If the optional redemption of the Bonds is authorized, the redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar (as hereinafter defined) shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be prepared in substantially the form set forth in EXHIBIT A attached hereto, with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine.

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar records as to the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee, or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully-registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or

transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee, or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen, or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen, or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen, or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository: Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the City and the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer, and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer, and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4. Sale, Execution, and Delivery of Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer, under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of Bonds shall be sold only within the price parameters and in accordance with such other terms as are set forth in the "Official Terms of Proposal" on file with the Executive Secretary and incorporated into the official statement prepared with respect to the offer and sale of the Bonds (the "Official Statement"). Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary, on behalf of the Board, on the date specified in the Official Terms of Proposal pursuant to, and within the parameters established by, the Official Terms of

Proposal. The Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or representations as he may deem necessary and expedient, including but not limited to, approval of the Official Statement and of a continuing disclosure certificate to be prepared in connection with the issuance of the Bonds. Any original issue premium, unused discount, and unused issuance costs shall be deposited in the Debt Service Account (as hereinafter established) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer, and the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause the Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Final Official Statement"), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Final Official Statement does not, at the date of closing, and the Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota franchise taxes on corporations measured by income and the alternative minimum tax base) under present laws and rulings.

Section 5. Refunding; Application of Proceeds of Bonds.

5.01. Redemption and Prepayment of Refunded Bonds. All of the Refunded Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

5.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) accrued interest, if any, shall be deposited in the Debt Service Account; (ii) an amount determined by the Finance Officer to pay interest on the Bonds, if any, shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Refunded Bonds to be financed with the Bonds shall be applied to such purpose; and (iv) an amount determined by the Finance Officer sufficient to pay the costs of issuing the Bonds, if any, shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to such purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. Pledge of Sales Tax Revenues. The Bonds are payable primarily from certain net revenues derived from sales taxes authorized by Laws of Minnesota 1986, Chapter 396, Section 5, as amended by Laws of Minnesota 2001, First Special Session, Chapter 5, Article 12, Section 87, including the following:

(a) a sales tax of up to one-half of one percent on sales that occur within the City which are taxable pursuant to Minnesota Statutes, Chapter 297A and a complimentary use tax on property sold outside but used within the City (the “General Sales and Use Tax”);

(b) a sales tax of up to three percent on gross receipts from retail on-sales of intoxicating liquor and fermented malt beverages described in Minnesota Statutes, Section 473.592, occurring in a specified downtown taxing area of the City (unless such sales are exempt from tax pursuant to Minnesota Statutes, Chapter 297A) (the “Liquor Tax”);

(c) a sales tax of up to 2.625 percent on the gross receipts from the furnishing for consideration of lodging described in Section 473.592 by a hotel or motel within the corporate limits of the City which has more than 50 rooms available for lodging, provided that the rate of tax shall be such that, when added to the rate of other state and local taxes imposed on the same subject, shall be thirteen percent (13%) (the “Lodging Tax”); and

(d) a sales tax of up to three percent on the gross receipts from all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment occurring in a specified downtown taxing area of the City (the “Entertainment Tax”).

The General Sales and Use Tax, the Liquor Tax, the Lodging Tax and the Entertainment Tax are hereinafter referred to as the “Sales Taxes” and the receipts from the Sales Taxes, net of the costs of collection, are hereinafter referred to as “Net Sales Tax Revenues.”

6.02. (a) Series 2011A Bonds Debt Service Account. The Bonds will be payable from the debt service account for the Bonds (the “Series 2011A Bonds Debt Service Account”) established as part of the City’s Debt Service Fund. The proceeds of the Net Sales Tax Revenues described in Section 6.01 hereof are hereby pledged to the Series 2011A Bonds Debt Service Account of the Debt Service Fund (subject to any pledge of such Net Sales Tax Revenues to bonds issued on a parity basis with the Bonds, including bonds previously issued or bonds hereafter issued). If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Series 2011A Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Net Sales Tax Revenues, when collected. There is appropriated to the Series 2011A Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the purchaser of the Bonds (the “Purchaser”) if such appropriation is determined to be appropriate by the Finance Officer pursuant to Section 4.01 hereof, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) Redemption Account for Refunded Bonds. The proceeds of the Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Refunded Bonds. When the redemption and prepayment of the Refunded Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Series 2011A Bonds Debt Service Account.

6.03. No Tax Levy. It is hereby determined that the estimated collections of Net Sales Tax Revenues and interest thereon for payment of principal and interest on the Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Bonds and that no tax levy is needed at this time.

Section 7. Tax Covenants. The Bonds are issued as tax-exempt, general obligation bonds and the City hereby makes the following representations:

7.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become “private activity bonds” within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder unless a “remedial action,” within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for and on behalf of the City. The City shall take all such actions as may be required under the Code and applicable

Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Arbitrage Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or any member of the Board, or of any officer, employee, or agent of the City in that person’s individual capacity. Neither the members of the City Council, the members of the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such

certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

seconded by Becker. Following questions and discussion the motion was adopted.

Yeas – 6. Nays – none. As follows; Yeas – Fine, Hodges, Johnson, Rybak, Becker, Wheeler - 6. Nays – none.

Fine moved the following :

RESOLUTION

AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION LIBRARY REFEREUNDUM REFUNDING BONDS, SERIES 2011, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$42,200,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority. The City has previously issued the general obligation bonds described below to finance or refinance improvements to the Minneapolis central library and community libraries.

1.01. Series 2003 Bonds. At the general election held on November 7, 2000, the voters of the City approved a ballot question authorizing the issuance of general obligation bonds of the City to finance public library improvements, including the construction of a new Central Library and the construction of improvements to the Community Libraries of the City. The referendum authorized the issuance of up to \$110,000,000 of general obligation bonds to finance the new Central Library and up to \$30,000,000 of general obligations bonds to finance improvements to the Community Libraries.

Pursuant to Resolution No. 2002R-400, adopted by the City Council of the City on October 25, 2002, the City Council of the City requested that the Board of Estimate and Taxation incur indebtedness and issue and sell general obligation bonds of the City in the amount of \$110,000,000 for the design and construction of the new Central Library. Pursuant to Resolution No. 2002R-343 adopted by the City Council of the City on September 27, 2002, and pursuant to Resolution No. 2002R-484 adopted by the City Council of the City on December 16, 2002, the City Council of the City requested that the Board of Estimate and Taxation incur indebtedness and issue and sell general obligation bonds of the City in the aggregate amount of \$9,870,000 for the purpose of paying for capital improvements to various Community Libraries.

The City issued its General Obligation Library Bonds, Series 2003 (the “Refunded Bonds”) in the original aggregate principal amount of \$57,000,000 on October 30, 2003, pursuant to Resolution No. 2002R-400, Resolution No. 2002R-343, and Resolution No. 2002R-484 and a resolution of the Board adopted on October 8, 2003, and a resolution of the Board adopted on October 29, 2003. The Refunded Bonds were issued in accordance with the terms of a Trust Indenture, dated as of October 1, 2003 (the “Indenture”), by and between the City and Marshall & Ilsley Trust Company N.A., as trustee. The proceeds of the Refunded Bonds were applied to the following purposes and in the following respective amounts: (i) \$51,785,000, the proceeds thereof to be applied to the acquisition and construction of the new Central Library; and (ii) \$5,215,000, the proceeds thereof to be applied to capital improvements to the Pierre Bottineau Community Library, the Franklin Community Library, and the Sumner Community Library.

1.02. City Council's Request. On October 21, 2011, the City Council adopted Resolution No. 2011R-____, which requests that the Board incur indebtedness, issue and sell its General Obligation Library Referendum Refunding Bonds, Series 2011 (the "Bonds") pursuant to Minnesota Statutes, Section 475.67, as amended, and pursuant to the City Charter to refund the outstanding principal amount of the Refunded Bonds (in the amount of \$42,200,000).

1.04. Redemption of Refunded Bonds. The Refunded Bonds are subject to redemption and prepayment, in whole or in part, on the first day of any month, commencing on December 1, 2003, upon not less than twenty (20) days notice, at a redemption price equal to one hundred percent (100%) of the principal amount of the Refunded Bonds to be redeemed and prepaid plus accrued interest to the date of redemption.. To provide for the redemption and prepayment of all of the outstanding Refunded Bonds, the City is proposing to issue the Bonds in an aggregate principal amount not to exceed \$42,200,000, and apply the net proceeds derived from the sale of the Bonds to the current refunding of the Refunded Bonds within ninety (90) days of the date of issuance of the Bonds.

1.05. Authority. The City is authorized to issue the Bonds to redeem and prepay the Refunded Bonds pursuant to the terms of Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act") and, in particular, Section 475.67 of the Municipal Debt Act.

Section 2. Issuance of Bonds. The Bonds are hereby authorized to be issued in the original aggregate principal amount of \$42,200,000 and the proceeds derived from the sale of the Bonds are hereby directed and authorized to be applied to the redemption and prepayment of the Refunded Bonds and to related costs.

Section 3. Terms and Form of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be issued as fixed-rate, tax-exempt, general obligation bonds, and shall be issued in one or more series as the Executive Secretary of the Board (the "Executive Secretary"), in consultation with the Finance Officer of the City (the "Finance Officer"), shall determine. The Bonds shall be designated "General Obligation Library Referendum Refunding Bonds, Series 2011" and, if issued in more than one series, shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated on or after November 22, 2011, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate principal amount of \$42,200,000, or such lesser amount as the Executive Secretary shall determine to be necessary and appropriate to redeem and prepay the Refunded Bonds. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2012, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary and the Finance Officer, consistent with the requirements of Section 475.54, subdivisions 1 and 17, of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment, in whole or in part, at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar (as hereinafter defined) shall assign to each Bond

then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be prepared in substantially the form set forth in EXHIBIT A attached hereto, with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Finance Officer may determine.

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar records as to the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee, or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations, and of a like aggregate principal amount, interest rate, and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully-registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee, or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such

holder; and such defaulted interest may be paid by the City in any lawful manner if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen, or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen, or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen, or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen, or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds so surrendered to the Bond Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent therewith.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the City and the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate

amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer, and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer, and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4. Sale, Execution, and Delivery of Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer, under Section 475.60, subdivision 1, of the Municipal Debt Act; provided that each series of Bonds shall be sold only within the price parameters and in accordance with such other terms as are set forth in the "Official Terms of Proposal" on file with the Executive Secretary and incorporated into the official statement prepared with respect to the offer and sale of the Bonds (the "Official Statement"). Competitive proposals for the sale of the Bonds will be considered by the Executive Secretary, on behalf of the Board, on the date specified in the Official Terms of Proposal pursuant to, and within the parameters established by, the Official Terms of Proposal. The Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or representations as he may deem necessary and expedient, including but not limited to, approval of the Official Statement and of a continuing disclosure certificate to be prepared in connection with the issuance of the Bonds. Any original issue premium, unused discount, and unused issuance costs shall be deposited in the Debt Service Account (as hereinafter established) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Finance Officer, and the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, shall accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers

thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause the Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the “Final Official Statement”), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Final Official Statement does not, at the date of closing, and the Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota franchise taxes on corporations measured by income and the alternative minimum tax base) under present laws and rulings.

Section 5. Refunding; Application of Proceeds of Bonds.

5.01. Redemption and Prepayment of Refunded Bonds. All of the Refunded Bonds are hereby called for redemption and prepayment on a date selected by the Finance Officer, but in no event more than ninety (90) days after the date of issuance of the Bonds.

5.02. Appropriation of Funds. The proceeds of the Bonds are hereby appropriated as follows: (i) accrued interest, if any, shall be deposited in the Debt Service Account; (ii) an amount determined by the Finance Officer to pay interest on the Bonds, if any, shall be set aside and applied to such purpose; (iii) an amount sufficient to redeem and prepay the Refunded Bonds to be financed with the Bonds shall be applied to such purpose; and (iv) an amount determined by the Finance Officer sufficient to pay the costs of issuing the Bonds, if any, shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to such purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. Pledge of Full Faith and Credit and Tax Levy. The full faith and credit of the City are irrevocably pledged to the timely and full payment of the principal of and interest on the Bonds when due. For the purposes of providing for the payment of principal of and interest on the Bonds when and as the same become due and for the collection of an additional amount not less than five percent (5%) of such principal and interest, in addition to all other taxes, the Finance Officer is hereby authorized to impose a direct ad valorem tax levy against the referendum market value (as defined in Minnesota Statutes, Section 126C.01, subdivision 3) of all taxable property in the City in the years and amounts necessary to provide for timely payment of the principal of and interest on the Bonds. The Finance Officer shall impose the tax levy in amounts such that such taxes, if collected in full, will produce amounts at least five percent (5%) in excess of the amounts needed to pay the principal of and interest on the Bonds when due, but the City shall levy additional taxes, without limitation as to rate or amount, if necessary to pay the principal of and interest on the Bonds when due. Any ad valorem tax levies shall be irrevocable except to the extent authorized to be reduced pursuant to Section 475.61 of the Municipal Debt Act.

6.02. (a) Series 2011 Bonds Debt Service Account. The Bonds will be payable from the debt service account for the Bonds (the “Series 2011 Bonds Debt Service Account”) established as part of the City’s Debt Service Fund. The proceeds of tax levies described in Section 6.01 hereof are hereby pledged to the Series 2011 Bonds Debt Service Account

of the Debt Service Fund (subject to any pledge of such tax levies to bonds issued on a parity basis with the Bonds, including bonds previously issued or bonds hereafter issued). If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the Series 2011A Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the tax levies, when collected. There is appropriated to the Series 2011 Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the purchaser of the Bonds (the "Purchaser") if such appropriation is determined to be appropriate by the Finance Officer pursuant to Section 4.01 hereof, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) Redemption Account for Refunded Bonds. The proceeds of the Bonds, less the appropriations made in paragraph (a) will be deposited in a separate fund or account to be used solely to redeem and prepay the Refunded Bonds. When the redemption and prepayment of the Refunded Bonds is complete, the fund or account is to be closed and any remaining balance shall be deposited in the Series 2011 Bonds Debt Service Account.

Section 7. Tax Covenants. The Bonds are issued as tax-exempt general obligation bonds and the City hereby makes the following representations:

7.01. Tax-Exempt Bonds. . No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become "private activity bonds" within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder unless a "remedial action," within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for and on behalf of the City. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Arbitrage Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed, together with a certificate of the Finance Officer establishing the tax levy described in Section 6.01 hereof, with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or any member of the Board, or of any officer, employee, or agent of the City in that person's individual capacity. Neither the members of the City Council, the members of the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

seconded by Becker. Following questions and discussion the motion was adopted.
Yeas – 6. Nays – none. As follows; Yeas – Fine, Hodges, Johnson, Rybak, Becker,
Wheeler - 6. Nays – none.

Fine moved the following :

RESOLUTION
AUTHORIZING THE SALE AND ISSUANCE OF GENERAL OBLIGATION IMPROVEMENT
BONDS, SERIES 2011, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF
\$8,495,000; AND PROVIDING THE FORMS, TERMS, AND FINDINGS, COVENANTS, AND
DIRECTIONS RELATING TO THE ISSUANCE OF SUCH OBLIGATIONS

BE IT RESOLVED By the Board of Estimate and Taxation (the “Board”) of the City of Minneapolis, Minnesota (the “City”) as follows:

Section 1. Background and Authority.

1.01. Previous Board Action. Pursuant to a resolution adopted by the Board on October 12, 2011, the Board determined to solicit proposals for the purchase of the general obligation improvement bonds (the “Bonds”) of the City, in the original aggregate principal amount of \$8,495,000, in accordance with the Official Terms of Proposal on file with the Executive Secretary of the Board and incorporated into an Official Statement to be prepared and distributed with respect to the Bonds. The proceeds of the Bonds will be used to finance street improvements in the City (the “Improvements”).

1.02. Authority. The City is authorized to issue the Bonds pursuant to the terms of the Minnesota Statutes, Chapter 475, as amended (the "Municipal Debt Act"), Chapter 429, as amended, and the City Charter.

Section 2. Issuance of Bonds. In order to finance the Improvement, there is hereby authorized to be issued by the City the Bonds, designated the "General Obligation Improvement Bonds, Series 2011." The maximum aggregate principal amount of the Bonds that may be outstanding at any time is limited to \$8,495,000.

Section 3. Terms and Forms of Bonds.

3.01. Bond Terms. The Bonds are authorized to be issued in accordance with the terms of this Resolution. The Bonds shall be issued in one or more series as the Executive Secretary may determine, and shall be assigned a separate series designation determined by the Executive Secretary for each series issued by the City. Any series of Bonds may be designated such other name or names as determined to be appropriate by the Executive Secretary. The Bonds shall be dated on or after November 22, 2011, or such other date as the Executive Secretary may determine, shall be issued in denominations of \$5,000 or any integral multiple thereof, and each series shall be numbered from R-1 upwards in order of issuance, or with such other numbering and in such other order as the Bond Registrar (as hereinafter defined) may determine. The Bonds shall be issued in the original aggregate principal amount of \$8,495,000, or such lesser amount as the Executive Secretary shall determine to be necessary to finance the Improvements. The Bonds shall bear interest at the rates per annum approved by the Executive Secretary in connection with the sale thereof, payable semiannually on June 1 and December 1 of each year, or such other dates determined by the Executive Secretary, commencing on June 1, 2012, or such other date determined by the Executive Secretary, from the date of the Bonds or the most recent interest payment date to which interest has been paid or duly provided for, computed on the basis of a 360-day year of twelve thirty-day months. The principal of the Bonds shall mature on such dates and in such principal amounts as shall be determined by the Executive Secretary, consistent with the requirements of Section 475.54, subdivisions 1 and 17 of the Municipal Debt Act (determined, if necessary, by combining such maturities with those of other obligations of the City). The Executive Secretary may determine to designate any portion of the principal of the Bonds to be combined into one or more term Bonds subject to mandatory sinking fund redemptions in the years and amounts determined by the Executive Secretary. The authorization to issue the Bonds is effective without any additional action by the City Council or the Board and shall be undertaken by the Executive Secretary on such date or dates and upon the terms and conditions deemed reasonable by the Executive Secretary.

The Executive Secretary shall establish a date on and after which all Bonds shall be subject to redemption and prior payment in whole or in part at the option of the City. The redemption price of the Bonds shall be at such redemption prices, with or without premium, as the Executive Secretary shall determine necessary to obtain the lowest interest rates for the Bonds consistent with the finance plan pursuant to which the Bonds are to be issued.

Thirty (30) days prior to any redemption date, notice of any such redemption shall be given by mail to the banks where the Bonds are payable and to the registered owners, in accordance with the terms of the Municipal Debt Act. In the event of a partial redemption by lot of the Bonds, the Bond Registrar (as hereinafter defined) shall assign to each Bond then outstanding a distinctive number for each \$5,000 of the principal amount of such Bonds and shall select by lot in the manner it determines the order of numbers, at \$5,000 for each number, for all outstanding Bonds of the maturity to be redeemed. The order of selection of Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected, but only so much of the principal amount of each Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. Upon partial redemption of any Bond, the same shall be surrendered in exchange for one or more new Bonds in authorized form for the unredeemed portion of principal. The method of selecting Bonds for optional redemption may be altered in such manner as the Executive Secretary shall determine to be necessary and appropriate in the interests of the City and the owners of the Bonds.

3.02. Method of Payment; Bond Registrar and Paying Agent. The Bonds shall be payable as to principal upon presentation and surrender thereof at the office of the Finance Officer, in Minneapolis, Minnesota, as the initial bond registrar (the "Bond Registrar") and paying agent (the "Paying Agent"), or at the offices of such other successor agents as the City may hereafter designate upon sixty (60) days mailed notice to the registered owners at their respective registered addresses. At the written request of the registered owner thereof, or at the direction of the Finance Officer, the payment of at least \$100,000 in principal amount of Bonds shall be made by wire transfer of immediately available funds to any bank in the continental United States upon presentation and surrender of such Bonds at the office of the Paying Agent. Interest

shall be paid by check or draft mailed to the registered owners of record as of the fifteenth day (whether or not a business day) of the month next preceding the applicable interest payment date at their addresses shown on the registration books or, at the written request of a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds or at the direction of the Finance Officer, by wire transfer of immediately available funds to any bank in the continental United States as the registered owner may specify.

3.03. Bond Form. The Bonds shall be in substantially the following form set forth in EXHIBIT A attached hereto, with the necessary variations as to name, series designation, number, CUSIP Number, denomination, rate of interest, and date of maturity, the blanks therein to be properly filled in, and with such other additions, deletions, or other changes as the Executive Secretary may determine.

3.04. Registration. As long as any of the Bonds issued hereunder shall remain outstanding, the City shall maintain and keep at the office of the Bond Registrar records as to the payment of the principal of and interest on such Bonds, as in this Resolution provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Bond Registrar books for such registration and transfer. Upon surrender for transfer of any Bond at the office of a Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the City shall execute and the Bond Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity. Any Bonds, upon surrender thereof at the office of the Bond Registrar may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate of any authorized denominations. In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the City shall execute and the Bond Registrar shall deliver Bonds in accordance with the provisions of this Resolution. For every such exchange or transfer of Bonds, whether temporary or definitive, the City or the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Resolution, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the City or the Bond Registrar incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City. The City and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption, nor be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds.

3.05. Record Dates. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any interest payment date shall be paid to the person in whose name that Bond (or one or more Bonds for which such bond was exchanged) is registered at the close of business on the fifteenth day of the preceding month. Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any interest payment date shall cease to be payable to the registered holder on the relevant regular record date solely by virtue of such holder having been such holder; and such defaulted interest may be paid by the City in any lawful manner, if, after notice given by the City to the Bond Registrar of the proposed payment pursuant to this paragraph, such payment shall be deemed practicable by the Bond Registrar. Such payments shall then be made to the persons in whose names the Bonds are registered at the close of business on a special record date established by the Bond Registrar. Subject to the foregoing provisions of this paragraph, each Bond delivered under this Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute and the Bond Registrar shall authenticate and deliver a new Bond of like maturity and principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the City evidence satisfactory to the City and the Bond Registrar that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the City and the Bond Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City and the Bond Registrar may prescribe and paying such expenses as the City and the Bond Registrar may incur in connection therewith. All Bonds

so surrendered to the Bond Registrar shall be cancelled by it and, in the event the Bond Registrar is not the Finance Officer, evidence of such cancellation shall be given to the City.

3.07. Owners. As to any Bond, the City and the Bond Registrar and their respective successors, each in its discretion, may deem and treat the person in whose name such Bond for the time being shall be registered as the absolute owner thereof for all purposes and neither the City nor the Bond Registrar nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of any such Bond shall be made only to or upon the order of the registered owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

3.08. Use of Securities Depository; Book-Entry Only System. The provisions of this Section 308 shall take precedence over the provisions of Sections 3.01 through 3.07 hereof to the extent they are inconsistent with this Section 3.08.

(a) The Depository Trust Company ("DTC") has agreed to act as securities depository for the Bonds, and to provide a Book-Entry Only System for registering the ownership interests of the financial institutions for which it holds the Bonds (the "DTC Participants"), and for distributing to such DTC Participants such amount of the principal and interest payments on the Bonds as they are entitled to receive, for redistribution to the beneficial owners of the Bonds as reflected in their records (the "Beneficial Owners").

(b) Initially, and so long as DTC or another qualified entity continues to act as securities depository, the Bonds shall be issued in typewritten form, one for each maturity in a principal amount equal to the aggregate principal amount of each maturity, shall be registered in the name of the securities depository or its nominee, and shall be subject to the provisions of this Section. While DTC is acting as the securities depository, the Bonds shall be registered in the name of DTC's nominee, CEDE & CO; provided that upon delivery by DTC to the City and the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Resolution shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of DTC or its nominee, the City and the Bond Registrar shall have no responsibility or obligation to any DTC Participant or other person with respect to the following: (i) the accuracy of the records of any securities depository or its nominee with respect to any ownership interest in the Bonds; (ii) the delivery to any DTC Participant or other person or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption; or (iii) the payment to any DTC Participant or any other person, other than DTC, of any amount with respect to the principal of or interest on the Bonds. The Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to the principal and interest on the Bonds to the extent of the sum or sums so paid. So long as the Book-Entry Only System described in this Section is in effect, no person other than DTC shall receive an authenticated Bond.

(c) Upon receipt by the City of written notice from DTC or any other securities depository to the effect that it is unable or unwilling to discharge its responsibilities under the Book-Entry Only System, the City and the Bond Registrar shall issue, transfer, and exchange Bonds of the initial series as requested by the securities depository in appropriate amounts, and whenever the securities depository requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice: (i) to arrange for a substitute depository willing and able, upon reasonable and customary terms, to maintain custody of the Bonds; or (ii) to make available Bonds registered in whatever name or names the Beneficial Owner registering ownership, transferring or exchanging such Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(d) In the event the City determines that it is in the best interests of the Beneficial Owners that they be able to obtain printed Bonds, the City may so notify the securities depository and the Bond Registrar, whereupon the securities depository shall notify the Beneficial Owners of the availability through the securities depository of such printed Bonds. In such event, the City shall cause to be prepared and the Bond Registrar shall issue, transfer and exchange printed Bonds, fully executed and authenticated, as requested by the securities depository in appropriate amounts and, whenever the securities depository requests, the City and the Bond Registrar shall cooperate with the securities depository in taking appropriate action after reasonable notice to make available printed Bonds registered on the Bond Register in whatever

name or names the Beneficial Owners entitled to receive Bonds shall designate, in accordance with clause (f) or clause (g) below, whichever is applicable.

(e) Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of a securities depository or its nominee, all payments of principal and interest on the Bond and all notices with respect to the Bond shall be made and given, respectively, to the securities depository as provided in the representation letter given to it by the City. The Blanket Letter of Representations from the City to the Depository Trust Company is confirmed and shall apply to the Bonds.

(f) In the event that the Book-Entry Only System established pursuant to this Section 3.08 is discontinued, except as provided in clause (g), the Bonds shall be issued through the securities depository to the Beneficial Owners.

(g) In the event of termination of the Book-Entry Only System, the City shall have the right to terminate, and shall take all steps necessary to terminate, all arrangements with the securities depository described herein, and thereafter shall issue, register ownership of, transfer and exchange all Bonds as provided herein. Upon receipt by the securities depository of notice from the City, the securities depository shall take all actions necessary to assist the City and the Bond Registrar in terminating all arrangements for the issuance of documents evidencing ownership interests in the Bonds through the securities depository. Nothing herein shall affect the securities depository's rights under clause (e) above.

Section 4. Sale, Execution, and Delivery of Bonds and Related Documents.

4.01. Method of Sale. Authority to negotiate the sale and issuance of the Bonds is hereby delegated to the Executive Secretary, in consultation with the Finance Officer of the City, under Section 475.60, subdivision 1 of the Municipal Debt Act; provided that each series of Bonds shall be sold only at a price of not less than ninety-eight percent (98%) of the principal amount of such series of Bonds, and the Bonds shall bear interest at the rates specified by the successful proposal. In connection with the sale of the Bonds, by one or more certificates or other written instruments or documents, the Finance Officer may make such additional covenants or representations as he may deem necessary and expedient, including but not limited to, approval of an Official Statement and of a Continuing Disclosure Certificate. Any original issue premium, unused discount and any unused issuance costs shall be deposited in the 2011 Improvement Bonds Debt Service Account (as hereinafter defined) or applied to such other purposes as determined to be appropriate by the Finance Officer.

4.02. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signatures of the Finance Officer and the President of the Board, and a facsimile of the corporate seal of the City shall be included as set forth in the form of Bond. The text of the approving legal opinion of Kennedy & Graven, Chartered, of Minneapolis, Minnesota, as bond counsel, may be printed on or accompany the delivery of each Bond. When the Bonds have been duly executed and authenticated by the Bond Registrar in accordance with this Resolution, the Bonds shall be delivered to the purchasers in accordance with the terms of the sale upon payment of the purchase price, and the receipt of the Finance Officer to said purchasers thereof shall be a full acquittance; and said purchasers shall not be bound to see to the application of the purchase money. The Bonds shall not be valid for any purpose until authenticated by the Bond Registrar, which is hereby appointed authenticating agent in accordance with the Municipal Debt Act.

4.03. Official Statement. The Executive Secretary shall cause an Official Statement relating to the Bonds and any appropriate addendums to such Official Statement to be prepared (collectively, the "Final Official Statement"), and the use thereof by the purchasers is approved.

4.04. Certificates. If such officer finds the same to be accurate, the Finance Officer is authorized and directed to furnish to the purchasers at the closing: (i) a certificate that, to the best of the knowledge of such officer, the Final Official Statement does not, at the date of closing, and the Official Statement did not, as of its date, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (ii) such other certificates as are required as a condition of sale, including a Continuing Disclosure Certificate setting forth the continuing disclosure obligations of the City under applicable law, as approved by the Finance Officer. Unless litigation shall have been commenced and be pending questioning the Bonds or the organization of the City or incumbency of its officers, at the closing, the Finance Officer shall also execute and deliver to the purchasers a suitable certificate as to absence of material litigation, and the Finance Officer shall also execute and deliver a certificate as to payment for and delivery of the Bonds. The Finance

Officer shall also execute and deliver an arbitrage certificate meeting the requirements of the arbitrage regulations under Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) and shall deliver the signed approving legal opinion of Kennedy & Graven, Chartered, as to the validity and enforceability of the Bonds and the exemption of interest thereon from federal and Minnesota income taxation (other than Minnesota corporate franchise and bank excise taxes measured by income) under present laws and rulings.

Section 5. Application of Proceeds of Bonds. The proceeds of the Bonds are hereby appropriated as follows: (i) any accrued interest shall be deposited in the 2011 Improvement Bonds Debt Service Account (as hereinafter defined); (ii) an amount determined by the Executive Secretary to pay interest on the Bonds shall be set aside and applied to such purpose; (iii) an amount sufficient to finance the Improvements to be financed with the Bonds shall be applied to such purpose; and (iv) an amount sufficient to pay the costs of issuing the Bonds shall be set aside and applied to such purpose. Any remaining proceeds of the Bonds shall be applied to purposes of the City as determined and designated by the Finance Officer.

Section 6. Payment; Security; Pledges and Covenants.

6.01. (a) 2011 Improvement Bonds Debt Service Account. The Bonds will be payable from the debt service account for the Bonds (the “2011 Improvement Bonds Debt Service Account”) established as part of the City’s Debt Service Fund. The proceeds of the special assessments (the “Assessments”) levied or to be levied for the Improvements to be financed by the Bonds are hereby pledged to the 2011 Improvement Bonds Debt Service Account of the Debt Service Fund. If a payment of principal or interest on the Bonds becomes due when there is not sufficient money in the 2011 Improvement Bonds Debt Service Account to pay the same, the Finance Officer will pay such principal or interest from the general fund of the City, and the general fund will be reimbursed for those advances out of the proceeds of the Assessments, when collected. There is appropriated to the 2011 Improvement Bonds Debt Service Account a pro rata portion of: (i) capitalized interest financed from Bond proceeds, if any, (ii) any amount over the minimum purchase price of the Bonds, if any, paid by the Purchaser, unless the Finance Officer elects to apply such amount to another purpose, and (iii) the accrued interest, if any, paid by the Purchaser upon closing and delivery of the Bonds.

(b) Bonds Project Fund. The proceeds of the Bonds, less the appropriations made in paragraph (a), together with any other funds appropriated for the Improvements and Assessments collected during the construction of the Improvements will be deposited in separate funds or accounts to be used solely to defray expenses of the Improvements including the payment of principal and interest on the Bonds prior to the completion and payment of all costs of any Improvement. Any balance remaining in any fund or account after completion of any Improvements may be used to pay the cost, in whole or in part, of any other local improvement undertaken by the City. When the Improvements are completed and the costs thereof paid, the funds and accounts are to be closed and subsequent collections of Assessments for the Improvements are to be deposited in the 2011 Improvement Bonds Debt Service Account.

6.02. City Covenants related to Bonds. It is hereby determined that the Improvements will directly and indirectly benefit abutting property, and the City hereby covenants with the holders from time to time of the Bonds as follows:

(a) The City has caused or will cause the Assessments for the Improvements to be promptly levied and will take all steps necessary to assure prompt collection, and the levy of the Assessments is hereby authorized. The City will cause to be taken with due diligence all further actions that are required for the construction of each Improvement financed wholly or partly from the proceeds of the Bonds, and will take all further actions necessary for the final and valid levy of the Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

(b) In the event of any current or anticipated deficiency in Assessments, the City will levy ad valorem taxes in the amount of the current or anticipated deficiency.

(c) The City will keep complete and accurate books and records showing receipts and disbursements in connection with the Improvements, Assessments levied therefor, and other funds appropriated for their payment, collections thereof, and disbursements therefrom, money on hand, and the balance of unpaid Assessments.

6.03. No Tax Levy. It is hereby determined that the estimated collections of Assessments and interest thereon for payment of principal and interest on the Bonds will produce at least five percent (5%) in excess of the amount needed to meet when due, the principal and interest payments on the Bonds and that no tax levy is needed at this time.

Section 7. Tax Covenants.

7.01. Tax-Exempt Bonds. No action shall be taken or authorized to be taken in connection with the application or investment of the proceeds of the Bonds which would cause the Bonds to be or become “private activity bonds” within the meaning of Section 141 of the Code and the applicable Treasury Regulations promulgated thereunder unless a “remedial action,” within the meaning of Treasury Regulations, Section 1.141-12 is available and is authorized to be taken for and on behalf of the City. The City shall take all such actions as may be required under the Code and applicable Treasury Regulations to ensure that interest on the Bonds is not includable in gross income for federal income tax purposes.

7.02. Not Arbitrage Bonds. The investments of the proceeds of the Bonds, including the investments of any revenues pledged to the Bonds which are considered proceeds under Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder, and accumulated sinking funds, if any, shall be limited as to amount and yield in such manner that the Bonds shall not be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. On the basis of the existing facts, estimates, and circumstances, including the foregoing findings and covenants, it is not expected that the proceeds of the Bonds will be used in such manner as to cause the Bonds to be or become “arbitrage bonds” within the meaning of Section 148 of the Code and the applicable Treasury Regulations promulgated thereunder. The Finance Officer shall furnish a certificate to the Purchaser based on the foregoing certification at the time of delivery of the Bonds and the Finance Officer may make any election permitted under Section 148 or Section 150 of the Code on behalf of the City.

Section 8. Miscellaneous Matters Relating to Bonds.

8.01. Registration. The Executive Secretary is hereby authorized and directed to certify a copy of this Resolution and to cause the same to be filed with the Director of the Taxpayer Services Department of Hennepin County, exercising the powers of the County Auditor under Section 475.63 of the Municipal Debt Act, and to obtain a certificate as to registration of the Bonds.

8.02. Enforceability of Bonds. All agreements, covenants, and obligations of the City contained in this Resolution and in the above-referenced documents shall be deemed to be the agreements, covenants, and obligations of the City to the full extent authorized or permitted by law, and all such agreements, covenants, and obligations shall be binding on the City and enforceable in accordance with their terms. No agreement, covenant, or obligation contained in this Resolution or in the above-referenced documents shall be deemed to be an agreement, covenant, or obligation of any member of the City Council or the Board, or of any officer, employee, or agent of the City in that person’s individual capacity. Neither the members of the City Council, the members of the Board, nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

8.03. Rights Conferred. Nothing in this Resolution or in the above-referenced documents is intended or shall be construed to confer upon any person (other than as provided in the Bonds and the other agreements, instruments, and documents hereby approved) any right, remedy, or claim, legal or equitable, under and by reason of this Resolution or any provision of this Resolution.

8.04. Persons Authorized to Execute Documents. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall for any reason cease to be an officer, employee, or agent of the City after the execution by such person of any certificate, instrument, or other written document, such fact shall not affect the validity or enforceability of such certificate, instrument, or other written document. If for any reason the Finance Officer or any other officers, employees, or agents of the City authorized to execute certificates, instruments, or other written documents on behalf of the City shall be unavailable to execute such certificates, instruments, or other written documents for any reason, such certificates, instruments, or other written documents may be executed by an acting or assistant to such officer, or by such other officer of the City as in the opinion of the City Attorney is authorized to sign such document.

8.05. Amendments. The authority to approve, execute, and deliver future amendments to the documents executed and delivered by the City in connection with the transactions contemplated by this Resolution is hereby delegated to the Finance Officer, subject to the following conditions: (a) such amendments do not require the consent of the holders of the Bonds or, if required, such consent has been obtained; (b) such amendments do not materially adversely affect the interests of the City as the issuer of the Bonds; (c) such amendments do not contravene or violate any policy of the City; (d) such amendments are acceptable in form and substance to the City Attorney, bond counsel or other counsel retained by the City to review such amendments; (e) the City has received, if necessary, an opinion of bond counsel to the effect that the amendments will not adversely affect the tax-exempt character or interest on the Bonds (if the Bonds are then tax-exempt obligations); and (f) such amendments do not materially prejudice the interests of the owners of the Bonds. The authorization hereby given shall be further construed as authorization for the execution and delivery of such certificates and related items as may be required to demonstrate compliance with the agreements being amended and the terms of this Resolution. The execution of any instrument by the Finance Officer shall be conclusive evidence of the approval of such instruments in accordance with the terms hereof. In the absence of the Finance Officer, any instrument authorized by this paragraph to be executed and delivered by the Finance Officer may be executed by such other officer of the City as in the opinion of the City Attorney is authorized to execute and deliver such document.

8.06. Effective Date. This Resolution shall take effect and be in force from and after its approval.

seconded by Becker. Following questions and discussion the motion was adopted.
Yeas – 6. Nays – none. As follows; Yeas – Fine, Hodges, Johnson, Rybak, Becker,
Wheeler - 6. Nays – none.

No additional direction to staff was given at this time.

The following reports were presented by the secretary to the Board:

R – 1. Variable Rates (Tax Exempt) for the weeks starting October 27, 2011.

Fine moved to adjourn; seconded by Hodges.

The meeting was adjourned at 4:28 p.m.